

<b>Subject:</b>	<b>Development of Library Services in Hove and Hollingbury</b>		
<b>Date of Meeting:</b>	<b>9<sup>th</sup> June 2016</b>		
<b>Report of:</b>	<b>Acting Executive Director Economy, Environment &amp; Culture, and Executive Director, Neighbourhoods, Communities &amp; Housing</b>		
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

Note: The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that officers were seeking and responding to further information to enable a full analysis of options. Given the financial implications, the Policy Resources & Growth Committee needs to make a decision at this meeting rather than it being delayed.

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Libraries Plan 2016-2020, approved by Council on 24 March 2016, proposes the creation of a new Cultural Centre in Hove by bringing together the Libraries and Museums services into one building at Brooker Hall, the existing Hove Museum, with the addition of a new extension at the rear of the building. The Libraries Plan also proposes the move of library services in Hollingbury into two new locations: Hollingbury and Patcham Children's Centre and the Old Boat Community Centre.
- 1.2 The proposed changes will enable revenue savings of £363,134 as a result of developments at Hove Museum and in Hollingbury funded from the projected capital receipt from the sale of the library buildings. In addition, the council will avoid the large on-going maintenance costs of these two old buildings with revised estimates totalling between (minimum) £449,113 and (maximum) £883,338 (Hove and Hollingbury libraries maintenance revised estimates over a five year period)
- 1.3 There are significant benefits to the community of bringing together library services with other services and facilities (see sections 3.9 and 3.10). Each institution will benefit from being introduced to new people, and can collaborate in activity for the benefit of the local community in new and creative ways.

- 1.4 This report sets out in summary the proposal costs, savings and funding sources following business case reviews for these service changes and developments and seeks approval for the disposal of the existing Hove and Hollingbury library buildings in order to fund these developments.
- 1.5 The report also recommends the wide marketing of the library buildings on the open market to attract the broadest possible interest, including consideration of community use, to achieve the best possible future use of the Hove Library and Hollingbury Library buildings.
- 1.6 The Libraries Plan proposals were preceded by a comprehensive Service Review and Needs Analysis and consultation, approved by the Economic Development and Culture Committee in November 2015, and also by three months of public consultation which was reported to the Economic Development and Culture Committee in March 2016.
- 1.7 If the proposal to relocate Hove Library does not go ahead, a further report will need to be brought to the committee to agree alternative savings proposals for the Libraries Service. If the full savings are to be found in Library Services, this is likely to include a range of options including:
  - Keeping Hove Library in the current building but on a much smaller scale and introducing income generating activity into the building. One version of this was looked at in the options appraisal as part of the business case. There would probably still be a savings gap of an estimated £85,000 so other library closures would still need to be considered alongside this option.
  - Proposing the closure of community libraries to meet the full savings gap. The average cost of running a community library following the introduction of single staffing and other changes to the network is £38,731 including Corporate Landlord costs. If the staffing and book fund savings for Hove for 2017-18 go ahead, the savings that would need to be covered is £189,114 (see 4.1.2), so an estimated 5 to 7 community libraries would need to close.

## **2. RECOMMENDATIONS:**

- 2.1 That the Committee authorises officers to proceed with the design development and preparation of a planning application for the creation of a new cultural hub at Hove Museum, and to the moving of Hove library into the new cultural hub in accordance with the adopted Libraries Plan 2016-2020
- 2.2 That the Committee authorises officers to proceed with the moving of Hollingbury Library to Hollingbury and Patcham Children's Centre and the Old Boat Community Centre, in accordance with the adopted Libraries Plan 2016-2020
- 2.3 That the Committee authorises the Acting Executive Director Economy, Environment & Culture, Assistant Director Property & Design to market the current Hove Library building and Hollingbury Library building widely on the open market to support the library service redesign and re-locations set out in the body of the report.

- 2.4 That once the marketing exercise is complete, the Committee will consider a further report setting out the outcome and the disposal options for the future of the buildings.
- 2.5 That the Committee (a) approve the ring-fencing of the capital receipts from the sale of both buildings to fund the development of a new extension at Hove Museum and the physical moves of Hove Library into Hove Museum, and of Hollingbury Library service into the Hollingbury and Patcham Children's Centre and the Old Boat Community Centre; and (b) agree that any surplus receipts from the disposals of the two buildings will be reinvested into the council's corporate strategic capital resources for future capital investment priorities.

### **3 CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The Library Service has conducted a thorough Service Review and Needs Analysis to inform the development of a new Libraries Plan for 2016-2020. The Libraries Plan proposes the modernisation of Library Services to ensure the delivery of comprehensive, efficient and sustainable library services for the city, and to deliver one million pounds of savings over the next four years.
- 3.2 The proposals include creating a Cultural Centre for Hove and ensure a resilient future for both Hove Library and Museum Services. There is space at the Hove Museum site to extend the building to accommodate a shared service provision. It will be a centre rooted in the community and will have relevance to a wide range of people from the city and beyond.
- 3.3 The publicly accessible space on the ground floor of the building will double to 520m<sup>2</sup> with the old extension being replaced by a new purpose-built extension more suited to the delivery of both library and museum services. The current public space on the ground floor is only 252m<sup>2</sup>.
- 3.4 The building will become an integrated library/museum facility with the majority of library services on the ground floor. The idea is to blend and merge museum displays and library resources together to provide new and interesting experiences for visitors to the centre.
- 3.5 Hove Library (Carnegie building) is a Grade 2 Listed building and opened as a purpose built library in 1908. It is expensive to run, costing £525,000 per year to operate the Library Service from this location.
- 3.6 The Libraries Plan proposals also include moving a focused collection of library resources for children and families to Hollingbury and Patcham Children's Centre. The rest of the Hollingbury Library collection would be moved to the Old Boat Corner Community Centre in Hollingbury to provide a library service for people of all ages in the area.
- 3.7 The reasons for the proposal are that the current Hollingbury Library building is an old public house building in need of significant repairs estimated at £148,000 and it is one of only two stand alone, isolated community library buildings in the public library network.

3.8 The full business cases for the development of a new Cultural Centre for Hove, bringing Hove Library and Museum together, and the move of Hollingbury Library services to new locations in Hollingbury are attached as appendices.

3.9 **Benefits of the proposed changes for Hove:**

- Sharing a building delivers reduced running costs for both Libraries and Museums Services. The revenue saving for the council of making changes to the way library services are delivered in Hove, including moving Hove Library to Hove Museum will be an estimated £337,000 per year.
- There will be significant investment in the Brooker Hall Hove museum building which will increase its longevity and reduce maintenance costs for the future
- The library move from the Hove Library building removes the need for the on-going maintenance and repairs with revised estimates at between £301,125 (minimum) and £735,350(maximum) over the next 5 years.
- The new facility will be an important local community resource that will attract more people to visit both the library and museum services from Hove and across the city
- The development will help revitalise the museum service in Hove, bringing new and wider audiences to the galleries, exhibits and activities
- There will be opportunity to develop a broader cultural programme such as adult education, talks and workshops
- Combining resources from Libraries and Museums will provide cultural experiences beyond the traditional ways of browsing and learning
- The project will develop the co-creation model, working with communities, families and children to ensure the service meets local need and is supported locally
- This is an opportunity to build on the existing strong partnerships with local arts organisations as a result of previously highly successful projects in both services and also through both Libraries and Museums involvement in the Arts Commission
- This will act as a catalyst for new projects attracting funding to broaden the arts and cultural experiences available for people in Hove. Libraries and Museums working together can present a stronger case to potential funders, offering a more diverse collection or resources to present in new and interesting ways. An example of successful integration of library, museum and archive resources can be found in the new Manchester Central Library with its exciting mix of real and digital artefacts, information and records that attracted grant funding and commercial sponsorship.
- The proposal includes the development of the café, garden and shop to increase income generation opportunities, which will be enhanced by the increase in footfall to the building as a result of the combined services.
- The new extension and other internal changes will also create opportunities for increased hire of spaces and facilities

- There will be purpose built exhibition display space for the museum on the ground floor
- There will be new outside activity space for e.g. children’s reading, learning and educational play
- Inside, there will be dedicated space for older children and young people that was lacking in the old library building
- There will be a dedicated research room for those seeking to consult the Wolseley special collection
- The proposals will bring together heritage collections and create opportunities to develop intergenerational exhibitions and displays that appeal across age groups.

### 3.10 Benefits of the proposed changes for Hollingbury:

- Nationally, the best performing libraries are co-located or integrated with other services. In Brighton & Hove the direction of travel is away from stand-alone service and towards creating neighbourhood / community hubs. Hollingbury, is one of only two community libraries that are still stand-alone. The other in Moulsecomb is part of the Neighbourhood Hubs and Community Collaboration programme that will bring community services and resources together for the benefit of local people.
- The Hollingbury changes have created the opportunity to work more closely with the Children’s Centre to provide help and information on child and family health, parenting, money, training and employment. The services are planning joined up activities for children and their carers, bringing their different but complimentary expertise together.
- It will also provide better access for children at Carden School with library facilities within the school grounds
- This is also an opportunity to work more closely with local community through the Community Centre, and extend the reach of the library to previous non-users in other parts of the Hollingbury community
- The Old Boat Community Centre will also benefit from the increased footfall which could also generate additional income. The Centre will benefit from the new investment in the building and the sharing of running costs.
- The Hollingbury move will provide longer access for local people to Library Services over seven days of the week and will enable greater community collaboration and engagement, whilst also delivering £26,500 of revenue savings.

### 3.11 Summary of Savings:

<b>Hove &amp; Hollingbury Libraries summary</b>	Current costs (full year)	Future costs (full year)	Savings
<b>TOTAL</b>	<b>£569,484</b>	<b>£206,350</b>	<b>£363,134</b>

<b>Hollingbury Library revenue savings</b>	Current costs (full year)	Future costs (full year)	Savings
Buildings	£13,900	£9,000	£4,900

Employees	£23,000	£4,000	£19,000
Supplies and Services	£9,100	£6,000	£3,100
Income	-£1,500	-£1,000	-£500
<b>TOTAL</b>	<b>£44,500</b>	<b>£18,000</b>	<b>£26,500</b>

<b>Hove Library revenue savings:</b>	Current costs (full year)	Future costs (full year)	Savings
Buildings & corporate landlord*	£73,620	£41,816	£31,804
Employees	£336,092	£133,692	£202,400
Supplies and Services*	£157,430	£55,000	£102,430 (£100,100 is book fund)
Income	-£42,158	-£42,158	£0
<b>TOTAL</b>	<b>£524,984</b>	<b>£188,350</b>	<b>£336,634</b>

\*Explanations of these expenditure headings can be found in the business case in Appendix 2.

More detail**:	Employees	Book fund	Property, & supplies & services	Totals
Total directly linked to relocation	£110,005	£44,975	£34,134	£189,114
Total related to changes in the way services are delivered	£92,395	£55,125	0	£147,520
Totals	£202,400	£100,100	£34,134	£336,634

\*\*Please note that the savings are those for all changes to Hove Library service provision which includes the projected move and related modernisation changes. The project is not just about moving the library; it is about changing the way the library service operates in whatever location. The level of reduction in book fund is dependent on what else happens to the rest of the network. If there was a need to close a number of community libraries, the amount of public library books in the city would be reduced, and so it might not be appropriate to reduce the stock at Hove to the same extent, as those people who previously visited their local library would have to borrow books from Hove and Jubilee libraries.

### 3.12 Building repair and revised maintenance costs:

<b>Building repair and revised maintenance costs over 5 years, avoided by these changes</b>		
<b>Hove Library</b> Condition survey completed February 2014 and reviewed in May 2016	<b>Hollingbury Library</b> Condition survey completed 2012	Total
Minimum specification £301,125 Maximum specification £735,350	£147,988	Minimum £499,113 Maximum £883,338

**Building repair and revised maintenance costs for Hove Museum over 5 years**

Survey completed in February 2016 and reviewed in May 2016

Minimum specification: £79,970

Maximum specification £438,680

3.13 The minimum and maximum specifications for both Hove Library and Hove Museum buildings have been produced through a review of both the existing Hove Library 2014 and Hove Museum 2016 condition surveys. The minimum reflects what would be needed to carry out the minimum repairs on the buildings. The maximum reflects the more extensive planned maintenance that is needed taking a longer term perspective.

3.14 An independent review of the existing 2014 condition survey of Hove Library and the 2016 condition survey of Hove Museum has been carried out by an independent surveyor. This is an independent professional view and comment on the condition surveys, estimated costings done for both Hove Library and Hove Museum by the in-house building surveying team. It is a high level view commenting on the council's approach, findings and estimated costs.

3.15 Generally speaking the independent surveyor's report agrees with the comments in the council's condition surveys. It recommends a more detailed elemental condition survey be carried out on Hove Library in the areas that are inaccessible at a high level and that budget costs are low and could escalate once further specialist investigations are carried out. It recommends that a more detailed condition survey of Hove Museum is carried out and a budget review of costs once this is done.

3.16 Further information can be found about the repairs and maintenance costs in Appendix 2 Hove Cultural Centre Business Case, appendix 2: Repairs and Maintenance Information.

**3.17 Summary of Costs for Proposed Changes:**

<b>Estimated capital costs summary:</b>	Libraries development	Museum compliance & other issues	Totals
Hove changes	£1,349,711	£222,863	£1,572,574
Hollingbury changes	£58,000		£58,000
Totals:	£1,407,711	£222,863	£1,630,574
<b>Hollingbury Library changes costs summary</b>			
Cost of changes to Patcham and Hollingbury Children's Centre to accommodate the library			£27,000
Cost of changes to Old Boat Community Centre to accommodate the library			£20,000
ICT costs			£10,000
Moving costs			£1,000
Total			£58,000

<b>Hove Museum extension and move costs summary</b>	Cost arising from Libs development	Cost arising from compliance, H&S and maintenance issues for museum building	Totals
Building Costs, (incl fees, contingencies, etc)	£1,204,261	£222,863	£1,427,124
Moving Costs (incl new furniture & equipment, contingencies, etc)	£145,450		£145,450
<b>Totals:</b>	<b>£1,349,711</b>	<b>£222,863</b>	<b>£1,572,574</b>

The cost of building the extension and making the necessary changes to Hove Museum to accommodate the Library Service is £1,204,261. The other costs associated with the move bring the total to £1,349,711.

- 3.18 There is an additional estimated £222,863 needed to cover the costs of works required to the museum building to make it compliant with latest mechanical, electrical, fire and health and safety regulations, and to deal with related maintenance issues, and these works would need to be done regardless of the move of Hove Library into the building. Examples include the replacement of air conditioning units on the upper floor; replacement of the boiler and upgrading of gas, electricity and water services; upgrades to fire alarms and emergency lighting.

### 3.19 **Funding Sources:**

Of the £1,630,574 development costs:

- £1,350,000 is sought from ring-fenced capital receipts
- £222,863 of compliance work is sought from the Asset Management Fund
- £57,711 is sought from Libraries and Planned Maintenance budgets

The disposal of two library buildings should produce capital receipts estimated at £1,350,000:

- Hove Library Building – estimated at £1,000,000
- Hollingbury Library – estimated at £350,000
- Additional funding will be sought from grant funding bodies such as Arts Council England. Some monies maybe available for one off projects and small enhancements e.g. funds for a community/schools project to decorate the hallway, but the Council will not be seeking any capital projects funding through this avenue.

### 3.20 **Valuations and best consideration:**

- 3.20.1 Initial development appraisals were completed in October 2015 to provide an indication of value for both Hove and Hollingbury Libraries based on assumptions of change of use and conversion (Hove) and redevelopment (Hollingbury). The assumptions made included: no site contamination, a positive planning permission without onerous conditions and a clean title.

- 3.20.2 The valuation for Hove Library was based on an assumption of change of use and conversion, with the basement, part ground floor and upper parts converted to residential use totalling 7 flats and the front part of the ground floor converted to A3 use. The valuation reflects the Listed Building constraints and building condition.
- 3.20.3 Two valuations were prepared for the Hollingbury Library site, both based on low density housing comparable to the existing housing adjacent to the site. The first valuation was based on demolition of the existing building and development of 2 semi-detached residential properties and the second was based on demolition and development of 4 smaller terraced residential properties. Assumptions have also been made around a change of use issue, the current use D, a library and the retention of a community use.
- 3.20.4 The site has been further reviewed for redevelopment to flats and an initial feasibility has been carried out that proposes a 2/3 storey block comprising 10 units but it is extremely tight. There are a number of caveats to include assumptions around a sloping site, no parking on site, no site surveys have been done and planning would need to be consulted at an early stage as flats may be considered as too dense a development for the site as the neighbourhood is predominantly 2 storey houses. The council's valuers have looked at the valuation should planning be forthcoming for this feasibility and based on current build costs and the council's affordable homes policy the site is not viable for the development of a market scheme and produces a negative value. The costs of building the scheme are too high producing no residual land value.
- 3.20.5 It is therefore considered that the best option for the site would be gained by redeveloping it for four houses producing the optimum receipt for the site.
- 3.20.6 Other approaches have been considered including redevelopment of the whole Hove Museum site for enabling development but they are not thought to be deliverable or viable and compromise the planning position both in terms of heritage and public open space.

### 3.21 Other uses

- 3.21.1 Hove Library has been looked at in terms of potential community future use for part of the building in conjunction with the library and for the whole building.
- 3.21.2 It is considered that such use would not leave sufficient space to deliver the library, it would have poor access and would lack visibility from the street. Moreover, (a) rental values for a commercial operator would be reduced to account for the loss of space for circulation and access to the retained library service, (b) any letting to a community run organisation would be a weaker covenant and (c) based on experience on other lettings on the council estate, its ability to pay any rent would be minimal and based on their own "affordability assessment".
- 3.21.3 The building will be widely marketed to encourage interest from community uses in whole or part of the building, the latter contributing to a mixed use development to ensure the best use and value of the site. It is unlikely that the whole of Hove Library could be successfully disposed of for community use, the demand for the planning definition of community uses is unknown and it seems

that the building may be unsuitable for most of these due to its layout and potential listed building constraints. Other community uses that may present a “community benefit” under a wider definition could include a café, restaurant, gym, cinema and any “community control” of a commercial operation will suppress value. If the building was limited to a community future use it seems that the capital receipt would be significantly less than commercial/residential use and will therefore need to be tested when the property is marketed widely on the open market.

### **3.22 Planning**

3.22.1 Planning advice for Hove Library is that planning policy does not require retaining all or part of the building for community use if the library has been re-provided in another building. The planning priority would be to ensure that there is a long term viable use for the retention and maintenance of this listed building.

### **3.23 Marketing and future use**

3.23.1 A marketing appraisal will be considered for both properties and more detailed planning advice sought prior to disposal. Offers received will be dependent on what development can be approved by Planning and for Hove Library Listed Building consent. The council will appoint an agent to market both properties openly and widely to ensure maximum market coverage. The market is reasonably buoyant at the moment which could mean that the interest and offers received could be of benefit both in terms of potential future uses and financially. Potential future uses of the building can be controlled by our marketing and evaluation processes and through planning.

3.23.2 By marketing the site openly we can understand the level of interest, evaluate the bids and set out the pros and cons of prospective offers. Under section 123 of the Local Government Act 1972, the Council is under a duty to receive the best consideration reasonably obtainable and requires consent where this is not achieved. Such consent is either general or express. General consent is available where a council can demonstrate that the land sale will help to secure the improvement of the economic, social or environmental wellbeing of the local area, and the amount foregone is up to £2m less than market value. These are the circumstances where socio and economic benefits can be relevant. The undervalue itself still needs to comply with “normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer.” Where the amount to be foregone exceeds £2m express consent is needed from the Secretary of State.

3.23.3 A report will be brought back to Policy, Resources & Growth following the marketing exercise appraising the offers received and setting out the proposed future uses for the buildings in particular for Hove Library, and disposal options available.

## **4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

### **4.1 For Hove Library:**

An options appraisal of the 5 options considered can be found in the Business Case in Appendix 2. In summary:

4.1.1 Do nothing. If no savings are found from making changes to the operation of Hove Library, there would be a shortfall in the Libraries revenue budget of an estimated £336,634. This shortfall would need to be found from the budgets of other services in the council, which would put a disproportionate burden on other services and Libraries would not be contributing a fair share of savings. There would also be the continuing need for maintenance and repair of this Grade 2 Listed building. Current estimates indicate a need for between £301,125 and £735,350 of repairs over five years. The current building is difficult and expensive to develop more modern library facilities (e.g. digital resources, café, events and learning spaces, etc) and so the current trend of diminishing use could be further accelerated.

4.1.2 Keep Hove Library open and find the savings required of the library service from elsewhere within the libraries budget. All opportunities for savings or increased income are already being explored as part of the Libraries Plan, including reducing the costs of the Jubilee PFI, so the only other place to take the savings from would be community libraries. To find the £336,634 additional savings from within libraries without the proposed move of Hove Library could result in the closure of between 5 and 7 community libraries. This is based on the following:

Savings that can be delivered in current building, with operational and service changes	2016/17	2017/18	Total
Staffing savings	£69,296	£23,099	£92,395
Book fund savings	£30,100	£25,025	£55,125
Total	£99,396	£48,124	£147,520

Savings to be found elsewhere in Libraries budgets	£189,114
Average cost of running a community library (after changes to staffing being implemented this year)	£38,731, (of which, £27,719 is Libraries revenue and £11,012 is from Corporate Landlord budgets)
Equivalent number of community libraries to find £189,114 saving	Estimated between 5 and 7

4.1.3 Most significantly, this option is not supported by the Needs Analysis that was carried out in 2015 and would be most likely to result in a judicial review, as it is possible that this level of library closure would not meet the council's statutory duty to provide a comprehensive and efficient service.

4.1.4 Move the Hove Library service to Hove Town Hall. This option is unsuitable as it would be less accessible and visible as the available space is on the second floor. The location is also further away from the core Hove Library users. Although the Library Service could still deliver the £336,634 savings, the loss of rental income from this space would mean a reduction in Workstyles revenue savings of anywhere between £40,000 and £121,000 depending on the capital receipt for the Hove Library building.

- 4.1.5 Extend Hove Museum and move the Library into this building to provide a shared service and reduce the costs to provide both services. The proposal includes making changes to the way the service is delivered, such as more digital resources, increased self-service, and other modernisation changes. Sell the current Hove Library site to provide capital funding for this project. The benefits and costs have been outlined in section 3 above. (Preferred option)
- 4.1.6 Reduce Hove library to the first floor and let out the ground floor of the Hove Library building. This option whilst retaining the library in the current location, would reduce to library to a much smaller space and would not deliver the savings as the running costs would remain high and the rental income would not be sufficient to bridge the gap.
- 4.1.7 Other ideas were considered, assessed and rejected, such as operating Libraries Extra in Hove Library (i.e. have some days unstaffed and use technical systems to provide security). Commentary on why this was considered unsuitable can be found in the Business Case in Appendix 2.
- 4.1.8 The option to move Hove Museum into the Library was suggested at a late stage, and this has been considered in the revised business case. (See the end of section 3, page 9 of the business case in appendix 1) The main reasons why this is option is not viable are:
- 4.1.9 There is not enough space in the Hove Library building to accommodate the Hove galleries and collections without significantly reducing the collections of both the museum and library.
- 4.1.10 It would be difficult and expensive to convert the library to accommodate the museum due to the layout of the building and listed building constraints. Even with reduced collections, the building would need to have staff spread over three public floors, which would increase the need for staffing, so the level of potential savings would be reduced. This arrangement would also still leave the council with the liability of the maintenance of the building.
- 4.1.11 The impact on the museum would be significant. The reduction in gallery and collection space would restrict the capacity of the museum to deliver services, and would threaten the viability of the service. Hove Museum would lose the possibility of showing temporary exhibitions: The space at Hove Museum is already not really fit for that purpose, but the space at Hove Library is either worse or non-existent. The museum would lose dedicated classroom space, which means losing or certainly reducing the schools programme, and would result in loss of an education service, the income, and the footfall. It would also prevent the museum developing its adult programmes and workshops.
- 4.1.12 In terms of the Museum's site, the loss of this public open space is unlikely to be in line with the Open Space Strategy and planning policy, so the potential of the site is restricted.

#### 4.2 For Hollingbury Library:

- 4.2.1 Do nothing. The impact of this option is that savings will not be met, and the high maintenance costs of this 1940's old pub building will continue. Revenue costs

would continue at £44,500 p.a. and £147,988 maintenance costs estimated over five years would remain.

4.2.2 Keep Hollingbury Library in its current location and operate it using Libraries Extra arrangements. Less than half the savings needed would be delivered and the buildings maintenance costs will remain. The opportunities to work more closely with the Children's Centre, the school and the Community Centre will be lost.

4.2.3 Move Hollingbury Library service to two new locations:

- Hollingbury and Patcham Children's Centre to operate a library service targeted at young children and families for three days a week, on a self-serve basis using volunteer help.
- Old Boat Community Centre in Hollingbury operating a seven days a week service to library users of all ages, on a self-serve basis using volunteer help and working in partnership with the community centre to provide services to meet the needs of local people.
- There will also be staff input on one day a week covering both locations.

This option will provide longer access to local people over seven days of the week and will enable greater community collaboration and engagement, whilst also delivering £26,500 of revenue savings, and avoiding the future maintenance and repairs costs (est. £147,988) (Preferred option).

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

5.1. The Library Services Review and Needs Analysis was based on extensive research, consultation and community engagement and was reported to the Economic Development and Culture Committee in November 2015.

5.2. Staff and unions have been involved in the Libraries Modernisation programme and the details of this were reported in the Libraries Plan report to the Economic Development and Culture Committee in March 2016

5.3. Public and stakeholder consultation took place from November 2015 to February 2016, and was reported to the Economic Development and Culture Committee in March 2016

5.4. The views of most respondents who answered the question about Hove Library were in agreement with the proposals, with 57% tending to agree or strongly agree.

5.5. An analysis of the responses from those who said they were users of Hove Library resulted in a majority of 50% tending to agree or strongly agree with the proposals. (47% tended to disagree or strongly disagree, and 3% neither agreed nor disagreed)

5.6. In the analysis of all the responses, the specific question about Hollingbury Library resulted in 48% tending to agree or strongly agree and 22% tending to disagree or strongly disagree, with a high percentage (30%) neither agreed nor disagreed.

- 5.7. An analysis of the responses from those who said they were users of Hollingbury Library produced a different response: 38% tended to agree or strongly agree; 49% tended to disagree or strongly disagree; and 13% neither agreeing nor disagreeing.
- 5.8. As a result of detailed consultation with the Ward Councillors, the original proposals were amended to include the creation of an additional Community Library collection in the Old Boat Community Centre in Hollingbury to meet the library needs of all age groups, and the provision of staffing support to Hollingbury library locations for one day a week each.

## **6. CONCLUSION**

- 6.1 In order for Library Services to continue to deliver statutory services with reduced budgets, Libraries need to modernise and deliver services in new ways. The Library Service Review and Needs Analysis has identified what people need from the service and the priorities for modernisation. The Libraries Plan 2016-2020 has set out the changes that are needed to implement this modernisation programme. The proposals for change put out for public consultation have received a high level of approval from the public, stakeholders and partner organisations.
- 6.2 Critical to the Libraries Plan are the proposed changes to the way library services are delivered in Hove and Hollingbury, creating a new cultural centre in Hove bringing together the library and museum, and working more closely with the Community Centre and Children's Centre in Hollingbury. The sale of the two old library buildings in these locations will fund the new developments in these areas.
- 6.3 The proposed changes will deliver a total of £363,134 of annual revenue savings (Hove and Hollingbury changes together). The detailed estimated costs for Hove and Hollingbury changes are £1,630,574. The estimated capital receipt for the sale of the two buildings is £1,350,000. The difference of £280,574 can be covered from contributions from existing library revenue budgets, asset management and planned maintenance funds and, if necessary, by borrowing any remaining shortfall and reducing the savings delivered until loan paid back. Borrowing would be undertaken over a 15 year period in line with the nature of the capital investment.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The disposal on the open market of the Hove Library Building and Hollingbury Library is expected to generate total capital receipts estimated at £1,350,000. The net receipt, less any disposal costs, will be ring fenced for reinvestment into the capital requirements of the Hove Culture Centre and the cost of changes to the Hollingbury library service pending confirmation of the final build and capital investment requirements associated with the schemes. Any delay in the disposal of the buildings and commencement of building works may result in some minor financing costs associated with short term financing costs.

- 7.2 Any surplus receipts from the disposal of the two buildings will be reinvested into the Council's corporate strategic capital resources for future capital investment priorities.
- 7.3 The cost of the works associated with the museum estimated at £222,863 to make the building compliant with the latest mechanical, electrical, fire and health and safety regulations could be met from the Asset Management Fund 2017/18 allocation and a further report to P&R will follow later in the financial year. The remaining shortfall in capital resources estimated at £57,711 will be met from existing Libraries revenue budgets and the Planned Maintenance Budget for 2017/18. In the event that a lower capital receipt is received for the disposal of the two buildings additional borrowing may be required to meet any shortfall in funding the project. The financing costs for this borrowing would be met from the revenue savings associated with the project. The cost of borrowing will be met over a 15-year period amounting to approximately £950 pa for every £10,000 of borrowing.
- 7.4 The investment will help deliver an estimated annual saving of £363,134 from Library and Corporate Landlord budgets by 2018/19 less any financing costs associated with borrowing to meet capital expenditure shortfalls. The savings associated with the Library budget have been built into the 4 Year Service and Financial Plans. The cost of running the library service at Hove and Hollingbury will be met from the remaining library and Corporate Landlord budgets.
- 7.5 The council's Four Year Service and Financial Plan assume the delivery of the savings identified in this report. There remains a budget gap for the council's budget overall and therefore, if the proposed changes to Hove Library do not go ahead, then alternative savings proposals will be required from the Library Service. Paragraph 1.7 of this report sets out potential alternative proposals of either reducing the size of Hove Library and introducing income generating activity alongside potentially closing 2 – 3 community Libraries; or keep Hove Library in its current form and closing between 5 and 7 community libraries.

*Finance Officer Consulted: Name Rob Allen Date: 16/5/2016*

Legal Implications:

- 7.6 As set out in section 3.23 of this report, in accordance with section 123 of the Local Government Act 1972 the Council will need to ensure that the disposal of the current Hove and Hollingbury Library buildings is for the best consideration that can reasonably be obtained. The terms of disposal will be referred to a future meeting of this committee. In this context it should be noted that if it is proposed that the land is appropriated for planning purposes (which will not be known until the detail of the disposal is agreed) a similar duty arises under the Town and Country Planning Act 1990, but there is no General Consent available i.e. where land is held for planning purposes and full value is not being received express consent from the Secretary of State will be required.
- 7.7 The proposed extension of Brooker Hall will be subject to the obtaining of planning permission for the same.

- 7.8 As stated at paragraph 1.1 of this report the Libraries Plan 2016-2020 was approved by the Council on 24 March 2016. The recommendations in this report are consistent with that approved Plan.
- 7.9 It is not considered that any adverse human rights implications arise from the report.

*Lawyer Consulted: Bob Bruce Date: 19/5/16*

Equalities Implications:

- 7.10 **Increasing equality** - A driving force of Libraries Modernisation is increasing equality and creating new opportunities for more people to access the services, information and activities they need in the community. The library acts as a resource for the whole community and a conduit to reach disadvantaged and vulnerable people. Equalities Impact Assessments have been carried out on the Hove and Hollingbury libraries proposals and have been incorporated into the Libraries Plan Equalities Impact Assessment. The Equalities Co-Ordinator has been involved in our assessments.
- 7.11 Potential impacts were identified regarding the Hove provision due to reduction in stock which could impact on low income library members who may have to pay a charge for reserving stock at another library. Concessions will therefore be maintained for those on a low income.
- 7.12 Stock reductions will be informed by historical analysis of lending trends. Over the last 11 years, the stock fund for Hove Library has increased by 53% while at the same time stock loans have dropped by 44%
- 7.13 It may be possible for improved accessibility to the library service and within the building, and for this to be undertaken as part of the improvement works. Possability (previously known as the FED) and local people will be engaged in identifying accessibility improvements.

Potential impacts were identified as a result of the original Hollingbury proposal to only provide a service in the Children's centre. These impacts were mitigated against by the inclusion of a second collection in Hollingbury to meet the library needs of all ages.

Sustainability Implications:

- 7.14 **Environmental sustainability** –The new extension will meet current building regulations with regard to thermal efficiency, low energy lighting and water use. The existing inefficient oil fired boilers in the museum will be replaced with efficient gas condensing boilers which will improve the energy performance for the whole building. The contractor will be required to meet the Councils requirements to meet or exceed 95% of the construction waste being recycled.

Any Other Significant Implications:

- 7.15 See appendix 1

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Other significant implications appendix
2. Business case for Hove Cultural Centre
3. Business case for changes to library provision in Hollingbury

### **Documents in Members' Rooms**

### **Background Documents**

1. Libraries Plan 2016-2020
2. Libraries Plan report to Council 24<sup>th</sup> March 2016
3. Hove Library condition survey (maximum) February 2014
4. Hove Museum condition survey (minimum) February 2016
5. Hove Library condition survey review (minimum) May 2016
6. Hove Museum condition survey review (maximum) May 2016
7. Independent Surveyors Review of condition surveys May 2016

Crime & Disorder Implications:

- 1.1 The Hollingbury service will move to less isolated premises, and so provide a safer environment to staff and library visitors.
- 1.2 Hove Library has experienced some anti-social behaviour in the past and the change of location gives an opportunity to design a layout that will reduce opportunities for unacceptable behaviour, is more child friendly and safe and secure for all visitors. CCTV will be installed, which is not currently in place in the Museum.

Risk and Opportunity Management Implications:

- 1.3 Risks and opportunities of the proposals have been assessed as part of the business case development. The risk register for these projects will be updated regularly throughout the implementation of the changes.

Public Health Implications:

- 1.4 **Health and well-being** – Links between reading improving health and wellbeing are being increasingly recognised. There is strong evidence that reading for pleasure can increase empathy, improve relationships with others, reduce the symptoms of depression and the risk of dementia, and improve wellbeing throughout life. Library spaces are already being used to provide adult social care services such as the Dementia Café. Libraries provide opportunities for greater social contact and helps in tackling loneliness. Libraries work in tackling digital exclusion also supports social inclusion and has health benefits.

Corporate / Citywide Implications:

- 1.5 The Libraries Modernisation proposals support the council's priorities and principles in the following ways, (in addition to those comments in the public health and equalities sections above):

**Corporate Principles**

**Public accountability** – Changes are being informed by needs assessment and public consultation.

**Citizen focus** – Libraries as community hubs are completely citizen focussed, and the proposed changes will utilise self-service to increase the times that services can be accessed. Recent qualitative research revealed that people want libraries to be developed as community centres and to become more of a community resource.

**Active citizenship** – Citizens will be engaged with developing and promoting library services through opportunities such as volunteering and fundraising. Local groups will drive the development of libraries as community hubs, as they will be encouraged to use the library during the extended days e.g. local schools bringing class visits, local carers groups holding mutual support sessions, etc.

**Corporate Priorities:**

**Economy, jobs and homes** - Community hubs and diversifying income will increase opportunities for education and employment activities for adults and children. Facilities are available for those who are digitally excluded. Library services can be used to support improving literacy.

**Children and Young People** – Increased opening hours will support more visits by schools who can carry out group visits during school hours. Increasing fund raising and grants will maximise the use of the library for all added value activities and projects which will include those aimed at children and young people such as study support.

**Community safety and resilience** – Libraries provide culture and leisure activities in the City that can promote community cohesion. Shared buildings can be used to foster positive relationships between public services and different communities.

